

FORM D

PRIOR NOTICE OF A TRANSACTION

Filed with the Insurance Commissioner of the State of WASHINGTON, the ALASKA Division of Insurance and the OREGON Insurance Division

BY

[NEW PREMIERA BLUE CROSS CORP.]

ON BEHALF OF THE FOLLOWING HEALTH CARRIERS AND INSURANCE COMPANIES:

PREMERA BLUE CROSS BLUE SHIELD OF ALASKA CORP.

2550 Denali Street, Suite 1404
Anchorage, AK 99503

LIFEWISE HEALTH PLAN OF OREGON, INC.

2020 SW Fourth Avenue, Suite 1000
Portland, Oregon 97201

[NEW LIFEWISE HEALTH PLAN OF WASHINGTON, INC.]

7001 220th St. SW, Bldg. 3
Mountlake Terrace, WA 98043-2124

STATES WEST LIFE INSURANCE COMPANY

7001 220th St. SW, Bldg. 2
Mountlake Terrace, WA 98043-2124

MSC LIFE INSURANCE COMPANY

3900 East Sprague Avenue
P. O. Box 3048
Spokane, WA 99220-3048

Dated: September 27, 2002

Notices and Correspondence Concerning this Notice
Should be Addressed to:

John P. Domeika
Senior Vice President and General Counsel
Premera Blue Cross
P.O. Box 327, Mail Stop 316
Seattle, Washington 98111
Tel: (425) 670-5277
Fax: (425) 670-5787

PRIOR NOTICE OF A TRANSACTION

This notice (this "Notice") is being filed concurrently with the Insurance Commissioner of the State of Washington (the "Commissioner"), the Alaska Division of Insurance and the Oregon Insurance Division by Premera Blue Cross in connection with the proposed conversion of PREMERA and certain of its affiliates to for-profit corporations. This Notice follows the form of the Prior Notice of a Transaction (the "Washington Health Carrier Form D") prescribed by Section 48.31C.050 of the Revised Code of Washington ("RCW") and Section 284-18A-940 of the Washington Administrative Code ("WAC"). In addition, this Notice contains all of the information required by (i) the Prior Notice of a Transaction prescribed by Section 48.31B.030 of the RCW and Section 284-18-940 of the WAC (the "Washington Insurer Form D"), (ii) the Prior Notice of a Transaction or Request for Director's Approval of a Transaction" of a Domestic Health Insurer prescribed by Section 21.22.085 of the Alaska Statutes ("AS") and Section 3 AAC 21.185 of the Alaska Administrative Code (the "AAC") (the "Alaska Form D"), and (iii) the Prior Notice of a Transaction prescribed by Section 732.574 of the Oregon Revised Statutes ("ORS") and Section 836.027.0160 Exhibit 4 of the Oregon Administrative Rules (the "OAR") (the "Oregon Form D"). Annex I attached hereto provides a cross reference guide which correlates the information set forth in this Notice with the relevant provisions of the Washington Insurer Form D, the Alaska Form D and the Oregon Form D.

This Notice is being submitted as Exhibit G-9 to the Statement of Acquisition and Control of a Domestic Health Carrier and a Domestic Insurer submitted to the Commissioner, the Attorney General of the State of Washington, Alaska Division of Insurance and Oregon Insurance Division on September 17, 2002 (the "Form A") concerning the acquisition of control of Premera Blue Cross, a Washington non-profit health care service contractor ("PBC"), States West Life Insurance Company, a Washington for-profit insurance company ("SWL"), LifeWise Health Plan of Washington, a Washington non-profit health care service contractor ("LifeWise Washington"), MSC Life Insurance Company, a Washington for-profit insurance company ("MSC"), Premera Blue Cross Blue Shield of Alaska, a to be formed Alaska for-profit insurance company ("PBC-AK"), and LifeWise Health Plan of Oregon, Inc., an Oregon for-profit insurance company ("LifeWise Oregon", and together with PBC, SWL, LifeWise Washington, MSC and PBC-AK, collectively, the "Acquired Companies"), all of which are, or will be in the case of PBC-AK, direct or indirect affiliates of PREMERA, a Washington non-profit corporation ("PREMERA"), by a to be formed entity, [New PREMERA Corp.], a Washington for-profit corporation ("New PREMERA") (the "Conversion Transaction").

Currently, there are a number of agreements that exist among and between either two Acquired Companies or one of the Acquired Companies and another affiliated company within the PREMERA holding company system. A list of those agreements that are currently in effect between any two of the Acquired Companies is attached as Exhibit 1 hereto, which also identifies the date upon which the applicable state official provided notice that the proposed transaction was not disapproved. A list of those agreements that exist between one of the Acquired Companies and another affiliated company within the PREMERA holding company system is attached as Exhibit 2 hereto, which also identifies the date upon which the applicable state official provided notice that the proposed transaction was not disapproved. Certain of these agreements listed in Exhibits 1 and 2 will be unaffected by the Conversion Transaction since the parties to such agreements will continue

to exist after the consummation of the Conversion Transaction. Certain other agreements listed on Exhibits 1 and 2 have either PBC or LifeWise Washington as one of the parties thereto, and as part of the Conversion Transaction, will be assigned to [New Premera Blue Cross Corp.], a to be formed Washington for-profit corporation ("New PBC") or [New LifeWise Health Plan Washington, Inc.] a to be formed Washington for-profit corporation ("New LifeWise Washington"), as applicable, pursuant to Transfers of Assets Agreements. Because these agreements are assignable and only exist between two parties, the Acquired Companies do not believe that another regulatory review of these agreements by the Commissioner is necessary.

By means of this Notice, New PBC on behalf of the Acquired Companies desire that the Commissioner, the Alaska Division of Insurance and the Oregon Insurance Division not disapprove a new Intercompany Services and Cost Allocation Agreement and Intercompany Tax Sharing Agreement, as described in more detail herein and which have similar terms to the agreements that are currently in force today.

Finally, PBC-AK will enter into a management and services agreement with New PBC (the "Management Agreement"), which is attached as Exhibit H-2 of the Form A. By means of this Prior Notice of Transaction, New PBC and PBC-AK desire that the Commissioner and the Alaska Division of Insurance not disapprove the Management Agreement.

ITEM 1. IDENTITY OF PARTIES TO TRANSACTION

Furnish the following information for each of the parties to the transaction: (a) Name; (b) Home office address; (c) Principal executive office address; (d) Organizational structure; (e) Description of the nature of the parties' business operations; (f) Relationship, if any of the other parties to the transaction to the health carrier filing the notice, including any ownership or debtor/creditor interest by any other parties to the transaction in the health carrier seeking approval, or by the health carrier filing the notice in the affiliated parties; and (g) Where the transaction is with a nonaffiliate, the name(s) of the affiliate(s) which will receive, in whole or in substantial part, the proceeds of the transaction.

(a)-(g) Intercompany Services and Cost Allocation Agreement: The name, home office address, principal executive office address, organizational structure, description of the nature of the parties' business operations; and relationship, if any of the other parties to this agreement to the health carrier filing the notice, including any ownership or debtor/creditor interest by any other parties to this agreement in the health carrier seeking approval, or by the health carrier filing the notice in the affiliated parties are attached hereto as Exhibit 3. This agreement does not involve a nonaffiliate.

(a)-(g) Intercompany Tax Sharing Agreement: The name, home office address, principal executive office address, organizational structure, description of the nature of the parties' business operations; and relationship, if any of the other parties to this agreement to the health carrier filing the notice, including any ownership or debtor/creditor interest by any other parties to this agreement in the health carrier seeking approval, or by the health carrier filing the notice in the affiliated parties are attached hereto as Exhibit 3. This agreement does not involve a nonaffiliate.

(a)-(g) Management Agreement:

(a) Name	Premera Blue Cross Blue Shield of Alaska Corp.	New PBC
(b) Home Office Address	2550 Denali Street, Suite 1404 Anchorage, AK 99503	7001 220th St. SW, Bldg. 3 Mountlake Terrace, WA 98043-2124
(c) Principal Executive Office Address	7001 220th St. SW, Bldg. 3 Mountlake Terrace, WA 98043-2124	Same as above
(d) Organizational Structure	Corporation	Corporation
(e) Description of Business Operations	Health Insurer	Managing General Agent
(f) Relationship of the parties	Affiliate	Affiliate
(g) Nonaffiliate Involvement	Not applicable	Not applicable

ITEM 2. DESCRIPTION OF THE TRANSACTION

Furnish the following information for each transaction for which notice is being given: (a) a statement of the nature of the transaction; (b) the proposed effective date of the transaction; (c) the statutory section, subsection or paragraph under which this Notice is being given is cited within the description of each transaction below; and (d) a copy of the latest year-end annual report filed with that party's regulatory authority, the latest quarterly financial statement prepared for the party's regulatory authority, and any other financial information required to be filed with the party's regulatory authority since the latest year-end report as required by the AAC.

(a)-(d) Intercompany Services and Cost Allocation Agreement: The Acquired Companies and all other affiliates within the New PREMERA holding company system will enter into an Intercompany Cost Allocation Agreement (the "Services and Cost Allocation Agreement"). The proposed effective date of this transaction is the earliest of the date upon which New PBC, New LifeWise Washington or PBC-AK is formed, but no later than the effective date of the Conversion Transaction. Notice of this transaction is required under RCW 48.31C.050(2)(d), RCW 48.31B.030(1)(b)(iv), AS 21.22.085(a)(4), and ORS 732.574(2)(d). Copies of the Acquired Companies latest annual statement and June 30, 2002 quarterly statement will be provided to the Alaska Insurance Division.

(a)-(d) Intercompany Tax Sharing Agreement: The Acquired Companies and all other affiliates within the New PREMIERA holding company system will enter into an Intercompany Tax Sharing Agreement (the “Tax Sharing Agreement”). The proposed effective date of this transaction is the earliest of the date upon which New PBC, New LifeWise Washington or PBC-AK is formed, but no later than the effective date of the Conversion Transaction. Notice of this transaction is required under RCW 48.31C.050(2)(d), RCW 48.31B.030(1)(b)(iv), AS 21.22.085(a)(4), and ORS 732.574(2)(d). Copies of the Acquired Companies latest annual statement and June 30, 2002 quarterly statement will be provided to the Alaska Insurance Division.

(a)-(d) Management Agreement: As part of the Conversion Transaction, PBC-AK and New PBC will enter into a Management Agreement whereby New PBC will provide management and other administrative services for and on behalf of PBC-AK. The proposed effective date of this transaction is the date upon which PBC transfers certain of its assets and liabilities directly related to its operations in Alaska to its newly formed wholly owned subsidiary, PBC-AK, in exchange for 100% of the stock of PBC-AK as part of the Conversion Transaction. Notice of this transaction is required under RCW 48.31C.050(2)(d) and AS 21.22.085(a)(4). Copies of the Acquired Companies latest annual statement and June 30, 2002 quarterly statement will be provided to the Alaska Insurance Division.

ITEM 3. SALES, PURCHASES, EXCHANGES, LOANS, EXTENSIONS OF CREDIT, GUARANTEES, OR INVESTMENTS

Not applicable.

ITEM 4. LOANS OR EXTENSIONS OF CREDIT TO A NONAFFILIATE

Not applicable.

ITEM 5. REINSURANCE

Not applicable.

ITEM 6. MANAGEMENT AGREEMENTS, SERVICE AGREEMENTS AND COST-SHARING ARRANGEMENTS

For management and service agreements, furnish: (a) a brief description of the managerial responsibilities or services to be performed; and (b) a brief description of the agreement, including a statement of its duration, together with brief descriptions of the basis for compensation and the terms under which payment or compensation is to be made.

Management Agreement: Under the Management Agreement, New PBC will provide all management functions and all administrative services, including, but not limited to: actuarial, underwriting, sales, operations, finance, legal, human resources, care facilitation and information technology. PBC-AK will compensate New PBC for such services on a cost basis as calculated under the Services and Cost Agreement. The form of the Management Agreement is attached as Exhibit H-2 to Form A. The proposed effective date of this transaction is the date upon which PBC transfers certain of its assets and liabilities directly related to its operations in Alaska to PBC-AK as part of the Conversion Transaction.

For cost-sharing arrangements, furnish: (a) a brief description of the agreement; (b) a description of the period of time during which the agreement is to be in effect; (c) a brief description of each party's expenses of costs covered by the agreement; and (d) a brief description of the accounting basis to be used in calculating each party's costs under the agreement.

Services and Cost Sharing Agreement: Under the terms of the Agreement, the Acquired Companies will provide services to one or more of the other Acquired Companies on a cost-basis. PBC currently maintains an activity based cost accounting system, which will also be used by New PBC. Operating expenses are accumulated in accordance with Generally Accepted Accounting Principles and allocated to the lines of business based upon an appropriate quantifiable measure supporting the activities performed in the cost center. Costs are allocated at the account level within each cost center following Blue Cross and Blue Shield Association cost accounting guidelines and Federal Cost Accounting Standards. This Services and Cost Sharing Agreement shall be in effect until amended or replaced, and is attached hereto as Exhibit 4.

Intercompany Tax Sharing Agreement: Under applicable federal income tax laws and at the completion of the Conversion Transaction, all of the companies within the New PREMERA holding company system will be members of an affiliated group of corporations (the "Affiliated Group"), which will file consolidated federal income tax returns. The Tax Sharing Agreement, applicable to all members of the Affiliated Group, specifies the manner in which the parties will share among themselves (i) that portion of the consolidated tax liability of the Affiliated Group that will be allocated to New PBC under the Tax Sharing Agreement, and (ii) any reimbursements that will be required to be made by or to New PBC under the Tax Sharing Agreement for utilization of tax attributes. Each subsidiary must reimburse New PBC for any payment that New PBC will be required to make under the Tax Sharing Agreement for utilization by a subsidiary of tax attributes generated by another affiliate. New PBC must reimburse each subsidiary for the amount of payment New PBC received from another affiliate for utilization of the tax attributes of the subsidiary. This Agreement shall be in effect until amended or replaced, and is attached hereto as Exhibit 5.

ITEM 7. SIGNATURE AND CERTIFICATION

Pursuant to the requirements of (i) Section 7, Chapter 462, Laws of 1993 and (ii) RCW 48.31C.050, States West Life Insurance Company, MSC Life Insurance Company, Premera Blue Cross on behalf of New Premera Blue Cross Corp. and LifeWise Health Plan of Washington on behalf of New LifeWise Health Plan of Washington, Inc. have caused this notice to be duly signed on their behalf in Mountlake Terrace, Washington on the 27th day of September, 2002.

(SEAL)

STATES WEST LIFE INSURANCE COMPANY

By: _____

Name: John P. Domeika

Title: Senior Vice President & General
Counsel

Attest:

Name: Katharine M. Cramer

Title: Assistant General Counsel

(SEAL)

MSC LIFE INSURANCE COMPANY

By: _____

Name: John P. Domeika

Title: Senior Vice President & General
Counsel

Attest:

Name: Katharine M. Cramer

Title: Assistant General Counsel

(SEAL)

PREMERA BLUE CROSS on behalf of [NEW
PREMERA BLUE CROSS CORP.]

By: _____
Name: John P. Domeika
Title: Senior Vice President & General
Counsel

Attest:

Name: Katharine M. Cramer
Title: Assistant General Counsel

(SEAL)

LIFEWISE HEALTH PLAN OF WASHINGTON on
behalf of [NEW LIFEWISE HEALTH PLAN OF
WASHINGTON, INC.]

By: _____
Name: John P. Domeika
Title: Senior Vice President & General
Counsel

Attest:

Name: Katharine M. Cramer
Title: Assistant General Counsel

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached notice dated September 27, 2002 for and on behalf of States West Life Insurance Company, MSC Life Insurance Company, [New Premera Blue Cross Corp.] and [New LifeWise Health Plan of Washington, Inc.]; that he is the Senior Vice President & General Counsel of States West Life Insurance Company, MSC Life Insurance Company, Premera Blue Cross, and LifeWise Health Plan of Washington; and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief.

By: _____
Name: John P. Domeika

Under AS 21.22.060, Premera Blue Cross on behalf of Premera Blue Cross Blue Shield of Alaska Corp. has caused this notice to be signed on its behalf in the City of Mountlake Terrace and State of Washington on the 27th day of September, 2002.
(SEAL)

PREMERA BLUE CROSS on behalf of PREMERA
BLUE CROSS BLUE SHIELD OF ALASKA CORP.

By: _____
Name: John P. Domeika
Title: Senior Vice President & General
Counsel

Attest:

Name: Katharine M. Cramer
Title: Assistant General Counsel

CERTIFICATION

The undersigned deposes and says that he has duly executed the attached notice dated September 27, 2002 for Premera Blue Cross on behalf of Premera Blue Cross Blue Shield of Alaska Corp.; that he is the Senior Vice President & General Counsel of Premera Blue Cross; and that he is authorized to execute and file such instrument. Deponent further says that he is familiar with such instrument and the contents thereof, and that the facts stated in it are true to the best of his knowledge, information and belief.

By: _____
Name: John P. Domeika

Pursuant to the requirements of ORS 732.574, LifeWise Health Plan of Oregon, Inc. has caused this notice to be duly signed on its behalf in the City of Mountlake Terrace, Washington on the 27th day of September, 2002.

(SEAL)

LIFEWISE HEALTH PLAN OF OREGON, INC.

By: _____
Name: John P. Domeika
Title: Senior Vice President & General
Counsel

Attest:

Name: Katharine M. Cramer
Title: Assistant General Counsel

CERTIFICATION

The undersigned deposes and says that the undersigned deponent has duly executed the attached application dated September 27, 2002 for and on behalf of LifeWise Health Plan of Oregon, Inc.; that the deponent is the Senior Vice President & General Counsel of LifeWise Health Plan of Oregon, Inc.; and that the deponent is authorized to execute and file such instrument. Deponent further says that the deponent is familiar with such instrument and the contents thereof, and that the facts therein set forth are true to the best of his knowledge, information and belief.

By: _____
Name: John P. Domeika

FORM A CROSS REFERENCE GUIDE

OTHER FORM D:	CORRESPONDING SECTION OF WASHINGTON HEALTH CARRIER FORM D:
Alaska Form D	Washington Health Carrier Form D
Item 1	Item 1
Item 2(a)	None
Item 2(b)	None
Item 2(c)	Item 2(a)
Item 2(d)	Item 2(b)
Each regulated party's latest annual report, quarterly financial statement and any other financial information required to be filed since the latest year-end report filed with that party's regulatory authority.	None
Item 7 Managerial Agreements	Item 6
Item 7 Cost Sharing Arrangements	Item 6
Item 11	Item 7
Oregon Form D	Washington Health Carrier Form D
Item 1	Item 1
Item 2(a)	None
Item 2(b)	Item 2(a)
Item 2(c)	Item 2(b)
Item 6	Item 6
Item 7	Item 7
Washington Insurer Form D	Washington Health Carrier Form D
Item 1	Item 1
Item 2(a)	None
Item 2(b)	Item 2(a)
Item 2(c)	Item 2(b)
Item 6	Item 6
Item 7	Item 7
Item 6	Item 7(a)
Item 7	Item 7(b)

Exhibit 1

Agreements Between Acquired Companies

1. Administrative Services Agreement between LifeWise Oregon and SWL entered into on October 28, 1995 to be effective as of January 10, 1994. Under this agreement, LifeWise Oregon provides various administrative and product support services for certain SWL insurance business written in the state of Oregon. SWL was notified that this agreement was not disapproved by the Office of Insurance Commissioner on December 28, 1994.
2. Reinsurance Agreement between LifeWise Oregon and SWL entered into as of December 1999. Under this agreement, SWL provides reinsurance coverages to Lifewise Oregon for claims exceeding \$250,000. Prior regulatory approval was not required for this agreement.
3. Guaranty Agreement between Blue Cross of Washington and Alaska (now PBC) and SWL dated March 3, 1994. PBC agrees to infuse capital in the amount necessary to maintain SWL's admitted assets at a minimum of 120% of liabilities. PBC's maximum liability is \$5 million. Information about the agreement was submitted to the Office of Insurance Commissioner in Amendment Number 2 to the 1992 Form B annual registration statement for SWL dated April 13, 1994.

Exhibit 2

Agreements between an Acquired Company and an Affiliate

1. Intercompany Agency Agreement between PBC and PremeraFirst, Inc. entered into as of January 22, 1999. Under this agreement, PremeraFirst, Inc. acts as contracting agent for the purpose of entering into provider agreements for the provision of health care services to enrollees of PBC. This agreement was filed with the Office of Insurance Commissioner with the initial Form B filing on September 4, 2001.
2. Administrative Services Agreement between PBC and Quality Solutions effective September 1, 2000. Under this agreement, Quality Solutions offers certain investigation and recovery administrative services to PBC for health plan business. This agreement was filed with the Office of Insurance Commissioner with the initial Form B filing on September 4, 2001.
3. Administrative Services Agreement between PBC and Quality Solutions effective July 15, 2002. Under this agreement, Quality Solutions offers certain investigation and recovery administrative services to PBC for the BlueCard program, an additional line of business which was previously explicitly excluded from the scope of an existing administrative services agreement between the parties, and any other program or product of PREMERA or its affiliates other than those that have been previously agreed to by the parties. PBC was notified that the agreement was not disapproved by the Office of Insurance Commissioner on July 16, 2002.
4. Administrative Services Agreement between LifeWise Washington and NorthStar Administrators, Inc., effective May 1, 2001 and amended on February 26, 2002. Under this agreement, NorthStar Administrators, Inc. provides certain third party administrative services for LifeWise Washington, including, but not limited to, collecting subscription charges, adjudicating claims and paying health care providers for services rendered to members. This agreement was filed with the Office of Insurance Commissioner with the initial Form B filing on September 4, 2001. LifeWise Washington was notified that the amended agreement was not disapproved by the Office of Insurance Commissioner on February 26, 2002.